



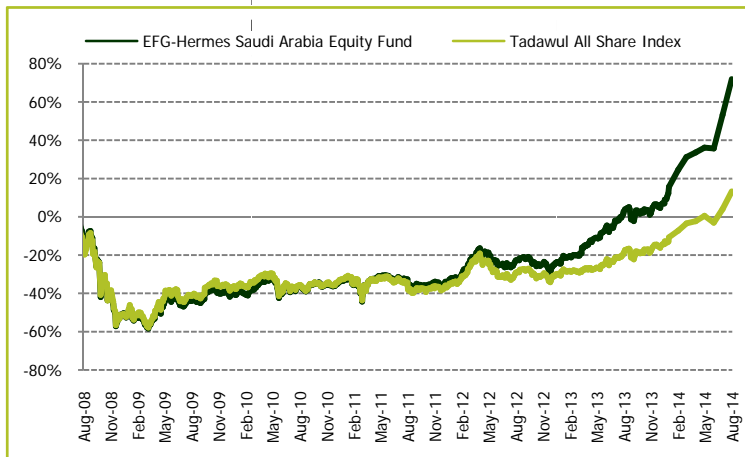
Fund Manager's Strategy & Outlook

The Saudi market continued its "market opening" driven rally in August with the Tadawul All Share Index rallying 8.8% for a YTD return of 30.2%. The Fund gained 12.2% during the month and is now up 53.0% YTD. Turnover recovered sharply following the end of the holy month of Ramadan with daily traded value averaging USD 2.6 billion in August.

The Capital Market Authority (CMA) published the draft rules for direct investment by foreign institutions during the month. The draft regulations include a minimum of USD5 billion of assets under management and five years of investment experience for qualifying as a foreign institutional investor. Other draft rules include a maximum ownership of 5% for a single foreign institution in any listed company, 20% for all foreign institutions in any listed company, and 10% total foreign ownership of the overall market value. The CMA is expected to issue a final version of the rules after a three-month consultation period.

All sectors were up in August except hotel & tourism, which lost 1.4%. Banks, the fund's top sector by allocation, was the best performer rallying 16.3%. Industrial investment slightly outperformed gaining 9.0%. On the other hand, petrochemicals underperformed with a 5.8% return. The Investment Manager reduced exposure to retail and hotel & tourism and increased exposure to real estate, petrochemicals, and telecom companies during the month.

Following two months of very strong performance, the market is expected to consolidate around current levels. The Investment Manager believes that any potential pull-back will be limited and short lived given the market's highly positive outlook.



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Objective

The principal objective of the Fund is medium and long term capital appreciation through investing in Saudi Arabian equity and equity related securities.

Fund Performance

	Saudi Fund	TASI ¹	Difference
Month to Date**	12.2%	8.8%	3.4%
Year to Date	53.0%	30.2%	22.8%
2013	48.8%	25.5%	23.3%
2012	11.2%	6.0%	5.2%
2011	1.8%	-3.1%	4.9%
2010	12.7%	8.2%	4.5%
2009	22.4%	27.5%	-5.1%
Inception to Date*	71.9%	13.2%	58.7%

*Fund's inception date was June 17th, 2008

** MTD figures reflect performance between July 31, 2014 and August 31, 2014

¹TASI is a price return index

Fund Characteristics

No. of Holdings	33
Weighted Market Cap	SAR 78.9 billion
Dividend Yield [†]	1.9%
P/E Ratio 15	15.9

[†]Figure reflects the weighted average yield of a dividend-bearing security in the fund

Fund Metrics

	Saudi Fund	TASI
Volatility	22.8%	21.9%
Beta [*]	1.0	-

** Calculated vs. the Tadawul All Share Index (TASI) since the Fund's inception

Top Three Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	9.0%
Al Rajhi Bank	Banks & Financial Services	8.6%
SAMBA	Banks & Financial Services	6.9%

Fund Data

NAV per Share	SAR 17.1894
Management Fee	2%
Minimum Subscription	SAR 50,000
Subscription / Redemption	Twice Weekly
Inception Date	June 17, 2008

Fund Identifiers

ISIN Code	XC000A1W4DX3
Bloomberg Ticker	EFGSAUD AB
Reuters Code	LP65122906

Allocation by Economic Sector

